

Eau Claire Redevelopment Authority
Minutes
Wednesday, May 18, 2016
Council Chambers, City Hall

Members Present: Mike DeRosa, Janine Wildenberg, Jeff Halloin, Martin Green, David Klinkhammer, Dr. Thomas Kemp, Dale Peters

Staff Present: Mike Schatz, Kelly Thompson, Steve Nick, Jay Winzenz

1. Call to order. This meeting was called to order by Mr. DeRosa at 7:30 a.m.
2. Minutes from the meeting of April 20, 2016. The minutes from the meeting of April 20, 2016 were reviewed and approved on a motion made by Dr. Kemp and seconded by Ms. Wildenberg. The motion passed.
3. Financial statements. Ms. Thompson presented the financial report for the month ending April 30, 2016. Operating expenses for April totaled \$910 which included \$350 for an audit for the WEDC SAG grant, \$9 for postage and \$551 for utilities in the Cannery Redevelopment District. Acquisition expenses totaled \$50 and were for a moving estimate for Silvermine Stone Company.

The financial statements for the month ending April 30, 2016 were reviewed and approved on a motion made by Mr. Peters and seconded by Dr. Kemp. The motion passed.

4. Update on Health Assessment Impact Study in the Cannery District. Audrey and Nick from the project team updated the board on the status of the Health Assessment Impact Study. The Health Department, Mayo Clinic, City of Eau Claire, and the Eau Claire Healthy Communities make up core team. They meet with Mr. Schatz to give updates and Mr. Klinkhammer is on the committee. In April, they held a Community Engagement gathering and it included area business owners and residents. They will focus on five key areas: Safety & Crime, Social Cohesion, Trails, Parks and Transportation, Housing Development, and Accessibility. Mr. DeRosa asked if they would be bringing in experts from the Police Department regarding the safety and crime aspect. Audrey responded that the beat officer is on the advisory committee and he is a resource. Mr. Klinkhammer voiced his disappointment that he did not get to make the presentation.
5. Consideration of 30-day extension from William Glass, the Brewing Projekt, for 1807 Oxford Avenue in the Cannery District. William Glass came in to explain why he is requesting a 30-day extension. He explained that it took longer than expected for contractors to do the bids and he just received numbers from Market & Johnson last week for budgeting purposes. He plans to spend \$3,000,000 in the first three years, create 5-10 new jobs in the first year, and create 20-30 new jobs by year three. Construction plans go from Phase 0 to 4. Phase 0 includes upgrading the HVAC system, removing debris from

property, sealing off property from elements and worse. There is currently water and people getting in. Mr. Glass estimated the cost to remove debris left behind by prior tenant at about \$40,000. In Phase 1 they would move existing brew house and equipment into the new space, construct firewalls to seal off existing warehouse from old cold storage space, and make aesthetic improvements to the northern warehouse space. During Phase 2 (once the brewery has gone back into production 1 to 1.5 years) they would demo old cold storage, demo old retail/office space (SW corner), demo of "shanty town" on the riverside dock, and construct a 7,000 square foot brewing space/public room. Phase 3 includes removing the second floor in original structure, rehab of original structure into a tasting room and event space, and the addition of distillery and coffee roasting equipment. In the final phase, Phase 4, (somewhere in the 5-year range) they would remove northern warehouse space, construct new facility related to production space, estimated cost of \$2 to \$3 million or they would remove space and sale of vacant lot back to RDA or City. Will also indicated he would like to have his parking lot across the street and leave space on the river side for future development. Mr. Green asked about federal approval that Mr. Glass had mentioned previously. Mr. Glass explained he would have to present to TTB, the Bureau that overseas breweries and submit to them the layout of the building exactly where tanks will be, where taxed and un-taxed product is located, who has keys, brand of keys, etc. He does not see any reason they would be turned down. The TTB mostly wants to know whether back taxes are owed or if they are next to school. Mr. Glass explained it could take up to three months to get federal approval, then he would need state approval.

Mr. Schatz explained we do not need closed session because we do not have a development agreement to discuss. Mr. DeRosa asked why we do not have a development agreement and Mr. Schatz explained it is because it took the contractors longer than expected to get in the building and get numbers back to Mr. Glass. There was a motion made to allow a 30-day extension by Mr. Peters and seconded by Ms. Wildenberg. Mr. Klinkhammer asked if 30 days was enough time to develop an agreement. Mr. Nick explained it is enough time if we have a proposal, but he does have another major project that is coming in that will take up a lot of time. This is the first time he has seen this proposal and will need to formalize and set up a negotiation meeting. Mr. Nick explained 60 days would be more reasonable. In light of the new information, Mr. Peters withdrew his motion to allow a 30-day extension. Mr. Klinkhammer moved to approve a motion to allow a 60-day extension, Mr. Green seconded. The motion passed.

6. Presentation on a draft redevelopment conceptual plan for the Cannery District. Mr. Schatz explained Ayres Associates is our consultant for the conceptual plan. This is the first draft of Phase II, which was reviewed by Darryl in planning for comments. Mr. Schatz wanted to show the board the status and get their comments. Phil Johnson from Ayres Associates began explaining the plan. Mr. Johnson explained that the Cannery District was divided into three sections, Downtown Cannery Business District, Uptown Cannery Mixed-Use District, and the High Bridge Neighborhood Development. The Downtown District is

made up of mostly office space and business redevelopment. Parking is still up in the air. Uptown Cannery Mixed-Use District is made up of housing, senior housing, and businesses on the lower level. Feelings from the public meeting indicated citizens did not want to segregate housing types. This plan progresses north from higher to lower density housing. The northern area starts blending into public space. The High Bridge Neighborhood would be a mix of condos and multi-family as the sites have potential for both single and multi-family development. Mr. Johnson discussed the corner on the north east side of the downtown district and indicated an ideal use would be to turn that into green space. Mr. Schatz made it clear that green space is a concept on the children's museum property and we have not talked to them. The plan shows some development on city land. Mr. Schatz explained we would trade the City space for their neighborhood and community parks for the City's current park space. Mr. Klinkhammer commented that in light of the Health Assessment Impact Study presented earlier, he believed what Mr. Johnson is proposing fits well with social cohesion. Mr. Halloin expressed concern about the principles and explained there has to be a greater public benefit. Part of that has been to put green space along the river. Mr. Halloin explained he is troubled by the amount of development on the east side of Oxford Avenue. He thought the properties on the east side of Oxford should include more public space and development would be on the west side. He did not envision everything to the north being developed. Mr. Halloin commented that we are chasing development that will be hard to get and we are sacrificing green space for it. Dr. Kemp said he concurred with Mr. Halloin. Mr. Halloin would feel better if we studied keeping some of that green space on the east side of Oxford. Mr. Schatz explained why Phil went the direction he did with the plan. Mr. DeRosa would like to look at the plans Mr. Johnson presented in an earlier phase. Mr. Nick brought to the board's attention that about a decade ago there was a public discussion regarding the main thoroughfare and it was decided to be Third Street. Mr. Nick indicated we should work with engineering to differentiate Oxford so it does not become a main thoroughfare. Mr. Halloin explained that the current plan has so much density that it may make this a main thoroughfare. Mr. Johnson will come back with an alternative plan.

7. Review of new City TIF Policy. Mr. Winzenz explained that City Council recently approved a new TIF Policy after receiving input through internal discussions and developer comments. The policy is intended as a framework for future decision making. The policy was designed as a tool to encourage new development and redevelopment of properties in the City. There have been a total of ten districts created, five districts have been closed. The closed TIDs have an average maximum life of 24 years and the average number of years they were open is 14 years. On average we have closed TIDs ten years early. The average number of years the open TIDs have been open is eight years. Mr. Winzenz explained TID 7 will probably be open through its maximum life, others we are not sure on yet. Council wants to be proactive in the creation of TIDs. Mr. Winzenz explained that the TID policy states that TIDs can be created in redevelopment areas or target areas, which is yet to be defined. Target areas will be defined as part of the Comprehensive Plan. In order to create

a TID, the following needs to happen: if developer initiates, they will need a \$10 million project, but it could be less if it is in the redevelopment area. Eligible costs in the policy include public improvement (examples: acquisition, park, development, etc.). The category for public improvements for development-specific use could include utilities, road, or could be property acquisition and demolition in an area that the property would be transferred to the developer. Last category is cash grants, examples include a tenant build out, occupancy modifications, underground parking, project equity or gap financing, etc. Cash grants would only be available for redevelopment type projects. Blight or rehab TID which is a 27-year life has 13 years to spend projects costs and 2 years for development fund. Industrial or mixed use TIDs are a 20-year life with 8 years for project costs and 2 years for development fund. TIDs must also meet the "But For" test. Minimum project costs for a developer-initiated TID is \$10 million, no minimum if City-initiated, there is a \$5 million minimum project size in existing TIDs and could be less if it furthers development wanted by the City. A development agreement would need a guarantee of assessed value, guaranteed annual tax payment, taxable status for 50 years, security such as mortgage on project, personal guarantees or other collateral. Mr. Peters commented that they are pleased we now have this policy and appreciates Mr. Winzenz's work on the policy. It was a collaborative approach with Mr. Schatz, Mr. Nick and Mr. Tufte. Mr. Peters also wanted to point out that using TIDs as a tool to provide funds for economic development fund that would provide benefits for RDA as well.

8. Executive Directors Report. Mr. Schatz informed the board that the conference related to available development sites was cancelled by Momentum. There are two interested parties for block 7 and liner building. The City Council was presented a transit site report that designated three sites for RFPs. Council directed staff to start marketing the railroad lot. The City will be closing on the acquisition of the trail portion of Family Video's property on May 26. Reminder that next month's RDA meeting is June 22, a week later than normal.

9. Announcements, directions and correspondence.

Mr. DeRosa clarified that the board will get the concept plans from previous RDA meeting.

Mr. DeRosa also clarified that Will Glass will be back at the July meeting with the development agreement, unless it can be done sooner.

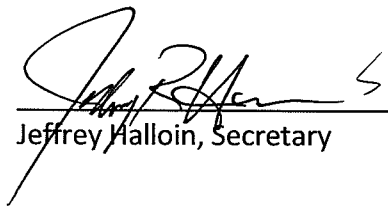
Mr. Nick clarified that Family Video is not closing; we are closing on the purchase of the trail area.

Mr. Klinkhammer wanted to add his voice about access to the Cannery District. Accessibility is a key issue in the cannery district.

Mr. Halloin would invite for a future agenda, when the City feels it appropriate, that the RDA should discuss if it would be appropriate for the RDA to pay the City for services.

The next Redevelopment Authority meeting is scheduled for Wednesday, June 22, 2016.

10. This meeting was adjourned by Mr. DeRosa at 8:44 a.m.



Jeffrey Halloin, Secretary